

21422 25 JULY 63

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DIRECTOR

TO:

[REDACTED]

FROM: OSA (1-13)

S/C (1-6)

TCR: 1342 25 JULY 63

PRIORITY

IN 82187

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COPIES: SECUR

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[REDACTED] FROM MESSRS [REDACTED]

REF: NRC MEMO 25 MAY 63, [REDACTED]

DOCUMENT NO. \_\_\_\_\_  
NO CHANGE IN CLASS. ☒  
CLASSIFIED ☐  
CLASS. MARKING TO: TS 3 3  
NEXT REVIEW DATE: 2011  
AUTH: HQ 10-2  
DATE: 14 JUL 1981 REVIEWER: 064340

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1. REFERENCED MEMORANDUM DIRECTS THE CANCELLATION OF AGENCY  
AK CONTRACT RD-X-63, AND THE TIMELY TRANSFER OF AF 33(615)-7713  
TO THE AGENCY, IN AN EFFORT TO CONSOLIDATE ALL NRC RED WORK AT  
THAT FACILITY UNDER A SINGLE CONTRACT.

2. THIS DECISION TO TRANSFER AN EXISTING AIR FORCE CONTRACT  
TO THE AGENCY WITHOUT PRIOR TERMINATION PROCEDURES PRESENTS CERTAIN  
SECURITY QUESTIONS WHICH WE FEEL SHOULD BE RESOLVED.

3. A PRELIMINARY INVESTIGATION BY [REDACTED] REVEALS THERE ARE 25X1A  
TWO EX VOUCHERS INVOLVED EACH MONTH IN THE PAYMENT OF COSTS IN-  
CURRENT UNDER THIS AF CONTRACT. THESE VOUCHERS ARE SENT BY PROGRAM  
DIRECTOR A TO [REDACTED] REVIEWS THESE VOUCHERS

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THEN CERTIFIES THEM TO THE FINANCE OFFICER FOR PAYMENT BY FORWARDING ONE COPY (UNCLASSIFIED) WHICH CONTAINS THE CONTRACT NUMBER AND CONTRACTOR'S NAME BUT NO DETAILED INFORMATION. THIS UNCLASSIFIED COPY REMAINS WITH THE FINANCE OFFICER, WHILE THE COPY CONTAINING SPECIFIC DETAILS IS RETAINED BY [ ]

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4. IT WOULD APPEAR UNDER THIS ARRANGEMENT THAT THE GAO WOULD THEN HAVE ACCESS TO THESE VOUCHERS IN THE FINANCE OFFICE. AN AUDIT BY THE GAO WOULD PROBABLY SURFACE THE FACT THAT THE CONTRACT HAD BEEN TRANSFERRED TO THE AGENCY.

5. IT IS REQUESTED THAT THIS PARTICULAR PROCEDURE BE FURTHER INVESTIGATED, AND THAT IF IT APPEARS TO BE VULNERABLE FROM A SECURITY STANDPOINT, WE MIGHT WANT TO CONSIDER A TERMINATION OF THE AIR FORCE CONTRACT AS OPPOSED TO A TRANSFER.

6. IN DISCUSSING THIS MATTER WITH GEN GREER IT IS UNDERSTOOD THAT SAFSP WOULD MUCH PREFER TO TRANSFER THE EXISTING AIR FORCE CONTRACT TO THE AGENCY CONTRACTING OFFICER AT [ ] RATHER THAN TO TERMINATE THAT CONTRACT. TERMINATION PROCEDURE IS LENGTHY AND COMPLICATED BOTH FROM THE ADMINISTRATIVE AND FINANCIAL STANDPOINT. THE TRANSFER OF THE EXISTING AIR FORCE CONTRACT IS OF COURSE THE QUICKEST, SIMPLEST AND MOST EFFICIENT METHOD. GEN GREER WAS ASKED IN WHAT RESPECTS THIS TRANSFER WOULD BE DIFFERENT FROM THE AGENCY SITUATION AT GE. IN THAT CASE IT IS UNDERSTOOD THAT THE AGENCY

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CONTRACT FOR RE-ENTRY VEHICLES WITH GE IS COVERED BY AN AIR FORCE  
CONTRACT NUMBER WHICH WAS PRESUMABLY ISSUED BY WRIGHT FIELD.  
THIS AF NUMBER IS ON RECORD AT THE PHILADELPHIA AIR PROCUREMENT  
DISTRICT OFFICE. IT IS FURTHER UNDERSTOOD THAT THE AIR FORCE  
PLANT REPRESENTATIVE AT GE HAS BEEN ADVISED THAT HE HAS NO  
RESPONSIBILITY INsofar AS THIS OSTENSIBLE AIR FORCE CONTRACT IS  
CONCERNED. GEN GREER HAS ASKED WHETHER A GAO INVESTIGATION OF  
THAT AIR FORCE CONTRACT NUMBER WOULD NOT LEAD TO THE SAME RESULTS  
AS IN THE CASE OF THE TRANSFER OF THE AIR FORCE EX CONTRACT TO  
THE AGENCY, CONTEMPLATED BY DMRG, NAMELY THAT A COVERT AGENCY  
CONTRACT PROBABLY EXISTS.

END OF MESSAGE

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